



AAI Corporation

A subsidiary of United Industrial Corporation

HISTORY IN THE MAKING

An Industry Viewpoint

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Vice President, General Manager

Defense Systems

20 April 99



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PERFORMANCE EXPECTATIONS

**Performance
Driven**

1960s

Build to Spec

**1970s &
1980s**

**Process
Focused**

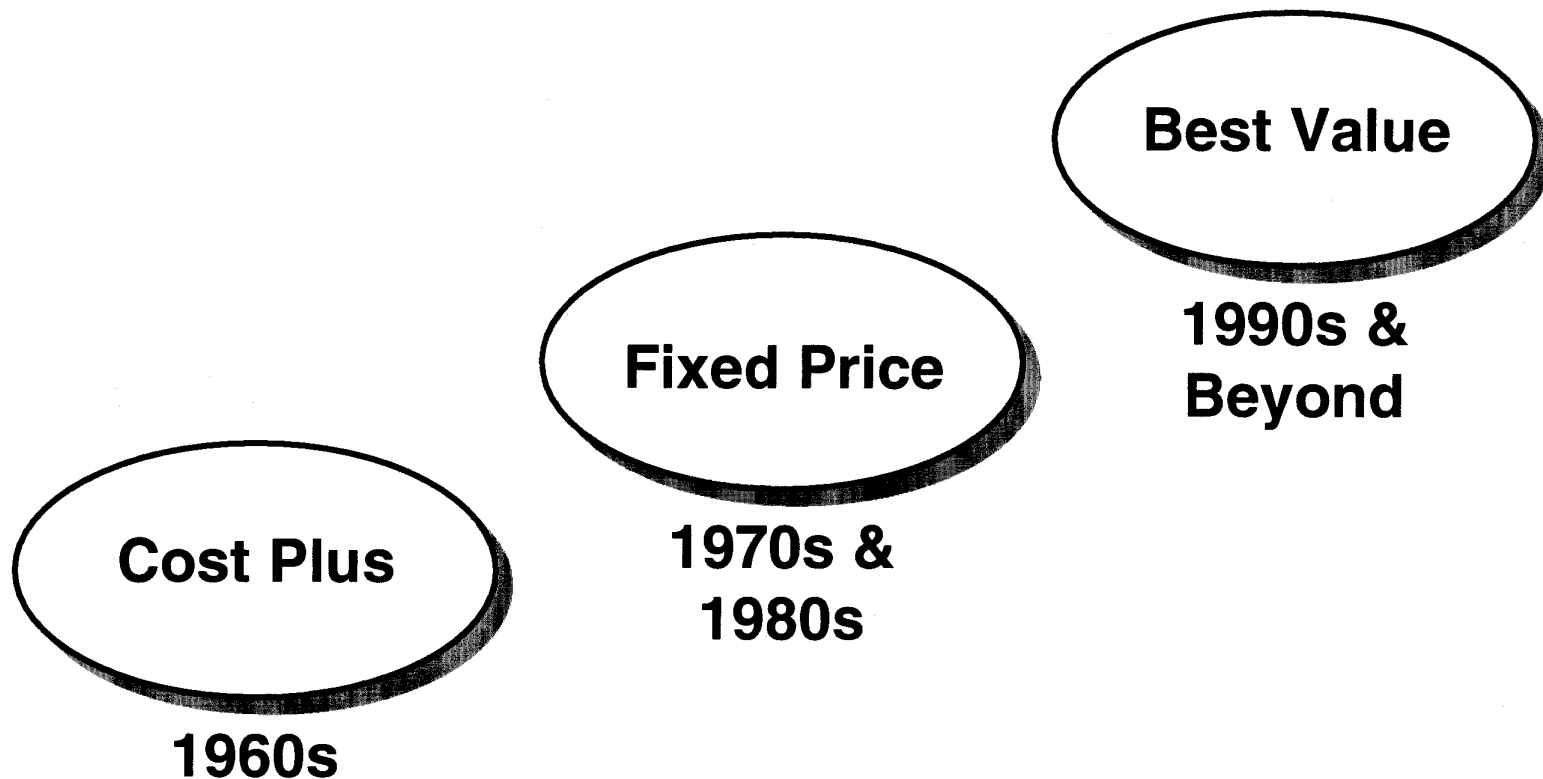
**1990s &
Beyond**



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CONTRACT EXPECTATIONS

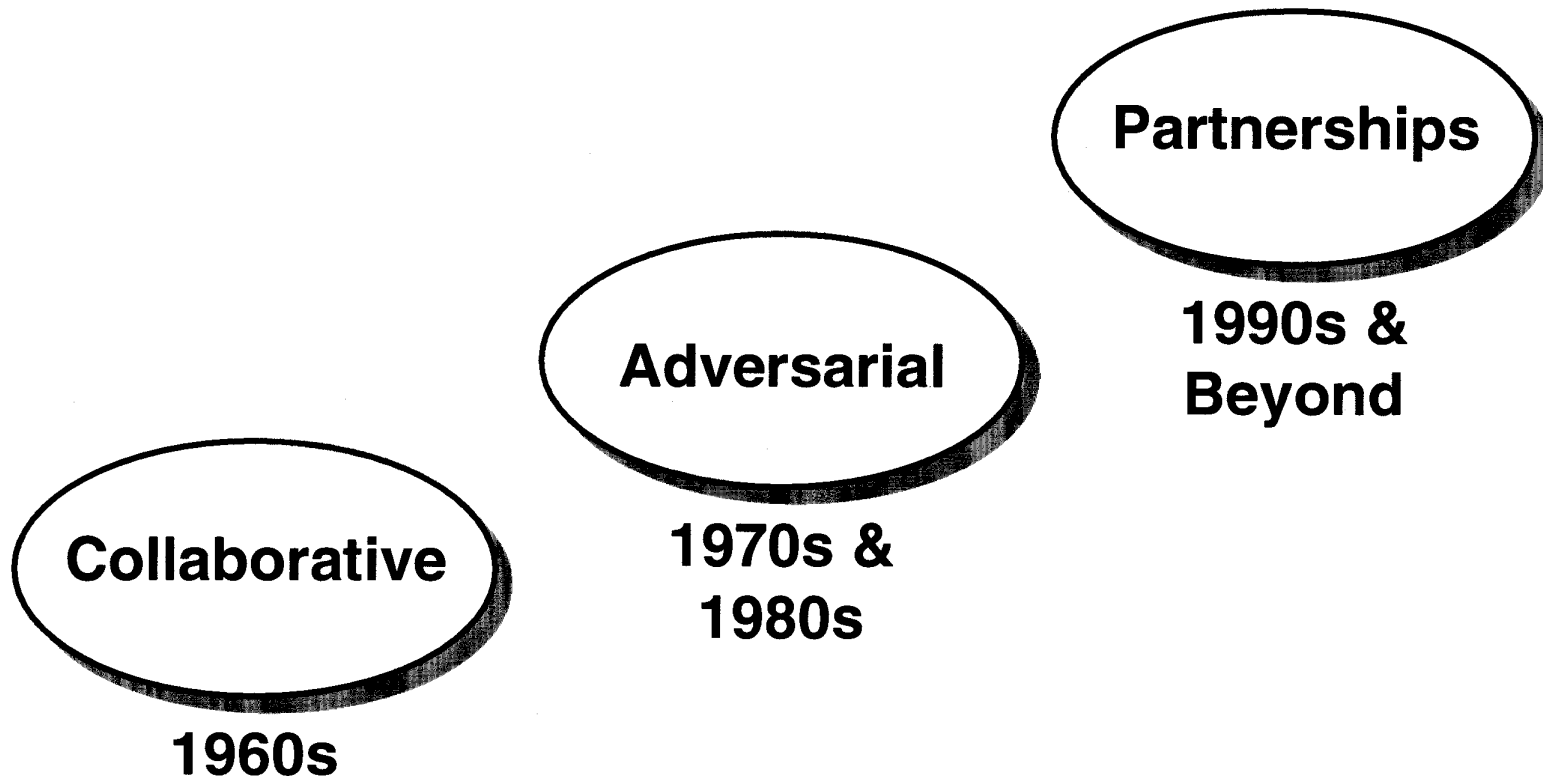




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GOVT/INDUSTRY RELATIONSHIPS





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CURRENT STATE

ARMY

Warfighters

Combat Experts

Support

Logistics

Maintenance

INDUSTRY

Primes

Experts at weapon
platforms

Support Specialist Companies

Training experts

Contractor Life
Cycle Support



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FUTURE INDUSTRY APPROACH

Option A

Prime

Platform

Training

Contractor Life
Cycle Support

Vertical
Integration

Option B

Prime

Platform

Support Specialist

Training

Contractor Life
Cycle Support

***Competition
Innovation
Lower Cost***